

Message Text

UNCLASSIFIED

PAGE 01 BONN 07121 171915Z
ACTION EUR-12

INFO OCT-01 ISO-00 SP-02 ICA-20 AID-05 EB-08 NSC-05
SS-15 STR-07 OMB-01 CEA-01 CIAE-00 COME-00 FRB-01
INR-10 NSAE-00 XMB-04 OPIC-06 LAB-04 SIL-01 /103 W
-----048540 180602Z /21

R 171902Z APR 78
FM AMEMBASSY BONN
TO SECSTATE WASHDC 7780
DEPARTMENT TREASURY
INFO AMEMBASSY BRUSSELS
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY LONDON
AMEMBASSY LUXEMBOURG
AMEMBASSY PARIS
AMEMBASSY THE HAGUE

UNCLAS BONN 07121

USEEC ALSO EMBASSY, USOECD ALSO EMBASSY

E.O. 11652: N/A
TAGS: EEC, EFIN, ECON
SUBJECT: PRESS COMMENT ON EUROPEAN COUNCIL MEETING,
APRIL 7-8; MONETARY COOPERATION

1. REMARKABLY SIMILAR ARTICLES APPEARING IN THE FRIDAY,
APRIL 14, ISSUE OF DIE ZEIT AND THE APRIL 17, FRANK-
FURTER ALLGEMEINE ZEITUNG (FAZ) APPEAR TO ADD SOME
SUBSTANCE TO THE THUS FAR VAGUE ACCOUNTS OF DISCUSSIONS
IN COPENHAGEN ON CLOSER EUROPEAN MONETARY COOPERATION.

2. THE ARTICLES QUITE CORRECTLY INDICATE THAT THERE HAS
BEEN CONSIDERABLE CONFUSION AS TO THE OUTCOME OF THE
DISCUSSIONS BUT STATE WITHOUT RESERVATION THAT NO
SECRET DECISION WAS TAKEN. NOTED AS THE MOST IMPORTANT
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BONN 07121 171915Z

CONCLUSION TO BE DRAWN IS THE APPARENT SHIFT IN GERMAN
ATTITUDE ON THE POTENTIAL FOR CLOSER COOPERATION IN THE
MONETARY FIELD IN EUROPE. ACCORDING TO THESE PRESS
ACCOUNTS (OFFICIALS HAVE NOT AS YET SUPPLIED ILLUMI-
NATION) HEADS OF GOVERNMENT SPOKE IN RELATIVE-
LY BROAD TERMS OF MEASURES WHICH COULD BE TAKEN TO INSU-
LATE EUROPEAN ECONOMIES FROM THE EFFECTS OF THE DOLLAR'S

DECLINE AND IN SUBSEQUENT CONTACTS THEY WILL ATTEMPT TO
REFINE A GAME PLAN WHICH IS COMPRISED OF THE FOLLOWING
ELEMENTS:

- (1) A NEWLY BASED CURRENCY BAND INCORPORATING THE
POUND STERLING AND FRENCH FRANC,
- (2) IN WHICH NON-EC COUNTRIES SUCH AS AUSTRIA,
SWEDEN, NORWAY AND POSSIBLE SWITZERLAND WOULD BE
INVITED TO PARTICIPATE
- (3) UNLIKE THE CURRENT MINI-SNAKE FORMAT WHICH
ESTABLISHES INTERVENTION POINTS 2.25 PERCENTAGE
POINTS ON EITHER SIDE OF A MID-RATE, THE NEW
RELATIONSHIP WOULD ESTABLISH BANDS BASED ON THE
SPECIAL CONDITIONS OF THE RESPECTIVE COUNTRY
- (4) DEVELOPMENT OF THE EUROPEAN UNIT OF ACCOUNT AS
A PARALLEL CURRENCY
- (5) UTILIZING THE EUROPEAN FUND FOR MONETARY CO-
OPERATION (EFMC) AS THE VEHICLE FOR INTERVENTION,
AND
- (6) STOCKING THE EFMC WITH RESERVES OUT OF PAR-
TICIPATING COUNTRIES CURRENCY RESERVES.

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 BONN 07121 171915Z

3. THE ARTICLES NOTE THAT WHILE INITIALLY THE EFMC WOULD
INTERVENE TO MAINTAIN RELATIONSHIPS AMONG EUROPEAN
CURRENCIES, EVENTUALLY THIS WOULD BE EXPANDED TO INCLUDE
INTERVENTIONS AGAINST CURRENCIES NOT IN THE UNION, E.G.,
DOLLAR, YEN, ETC.

4. HARMONIZATION OF ECONOMIC AND MONETARY POLICIES OF
EUROPEAN COUNTRIES REMAINS A FUNDAMENTAL PREREQUISITE
ACCORDING TO FAZ. HOWEVER, IT NOTES THAT RECENT DEVELOP-
MENTS HAVE GIVEN RISE TO HOPES THAT TRENDS ARE CON-
VERGING.
STOESSEL

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, MEETINGS, CURRENCY STABILITY
Control Number: n/a
Copy: SINGLE
Draft Date: 17 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BONN07121
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: ALSO FOR USOECD
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780165-0434
Format: TEL
From: BONN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780451/aaaabqwb.tel
Line Count: 107
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 740128ad-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2951531
Secure: OPEN
Status: NATIVE
Subject: PRESS COMMENT ON EUROPEAN COUNCIL MEETING, APRIL 7-8; MONETARY COOPERATION
TAGS: EFIN, ECON, EEC
To: STATE TRSY MULTIPLE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/740128ad-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014